SECRET

COMPT 76-1869

12 NOV 1976

MEMORANDUM FOR: Deputy Director for Administration
                  Deputy Director for Intelligence
                  Deputy Director for Operations
                  Deputy Director for Science and Technology
                  ✓Executive Secretary

THROUGH: Comptroller

SUBJECT: FY 1978 Congressional Budget Submission

1. This memorandum: (1) provides information on what we expect
our FY 1978 Congressional Budget submission will include; and (2)
requests certain data—outlined in sections III.c.1 and 3 below—in
support of our submission. Control figures and a time schedule will
be furnished after we hear what OMB proposes to recommend to the
President. Other specific requirements for data will be conveyed to
you as soon as they have been clarified. Meanwhile, there are a
number of requirements we can begin immediately to satisfy.

2. As a result of directives already received from the Appropri-
ations Committees and of additional recommendations that have been made
by the Surveys and Investigations Staff of the House Appropriations
Committee (Attachment A), the Congressional Budget Submission for FY 1978
will contain substantially more information than predecessor documents.
As a result, the information requirements imposed on the components also
will be considerably heavier. To explain how these individual items of
information will be incorporated into the final document, we have prepared
the following outline of the new version of the book, annotated to explain
the changes in comparison with the FY 1977 version.

   I. Perspectives (the overview)—the trends discussion
       will be retained. A section discussing significant
       developments in management (including organizational
       changes, significant economies achieved, improve-
       ments in management evaluation systems, etc.) in
       terms of contribution to greater Agency efficiency
       and effectiveness will be added. Changes in Agency/
       Community relationships will be part of this discussion.

   II. Program for 1978—most material on proprietaries
        and the Reserve for Contingencies will be moved to
        the supplemental schedules section.

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III. Program by Program Categories. The categories and
     program subcategories for discussion are unchanged,
     except that Communications Services will be divided
     into several sub-categories. We have been in touch
     with the Office of Communications about this.

   A. Summary discussion of trends, including brief
      explanation of activities in each category.

   B. Tables on program categories and contributors
      (computer printouts).

   C. Substantially expanded narratives on each
      program category.

      1. FY 1976 productivity and achievements—
         to include statistical data on productivity
         and evaluative information from internal
         sources and from users. Attached (Attachment
         B) is a list of the productivity data needed,
         based on what we have been told is, or can
         be made, available. Components should,
         however, add any other data that they
         believe will be particularly useful in
         convincing Congress of our efficiency.
         Items listed in the attachment are examples
         and need not be used if you have better
         indicators available. Annual data for FY
         1970 (or the earliest possible subsequent
         year) through FY 1976 (not the TQ) should
         be forwarded to the Comptroller by c.o.b.
         30 November. Decisions on the specific
         productivity indicators to be included
         in the document will not be made until
         we have your responses, and we will let you
         know what choices we have made. We will
         contact you later about effectiveness
         (achievements) information.

      2. Major emphasis in FY 1978—a somewhat
         expanded narrative covering all major
         projects in the category, including
         achievements planned or sought in 1978,
         appropriate comments on the impact of
         Appropriations Committee actions last
         year, and a discussion of specific items
         of interest to the Appropriations Committees
         (e.g., in clandestine and technical collection,
         in information processing, and in production,
         what specific plans do we have for increasing
         the US Government's understanding of the
         Soviet Research and Development program?).

3. We will again use <u>photographs</u>. Subjects should be chosen for their relevance to the FY 1978 program or to 1976 achievements. Good quality color positives—and negatives if possible—are needed by <u>3 January 1977.</u> These should be accompanied by suggested titles.

D. Summary explanation of change.

E. Table explaining in detail funds changes between FY 1977 and FY 1978 that are programmatic in nature. Comptroller personnel will meet with Directorate personnel to reach a common understanding on items to be described as cost changes and those to be described as program changes. (See Attachment C for format.) Computer printouts will be available providing data for the first three columns.

IV. Program by Organization. Begin area division information with summary table.

V. Object Class Data. No change.

VI. Personnel Data. No change.

VII. Supplemental Schedules

1. Responses to Congressional Directives. No change.

2. SIGINT. To include a narrative covering discussion of results expected from planned program as well as the program itself.

3. ADP. To include a detailed table similar to that in FY 1978 OMB Submission and a narrative which sets forth need for and description of each significant system, including full projected costs.

4. RD&E. To include a narrative, as for SIGINT.

5. External Analysis (excluding Research and Development) To begin with one page summary table.

6. Position and Personnel Data. No change.

7.

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8. CIARDS. To provide data on FY 1978 cost, 30-year
    projections, number of beneficiaries, and a narrative
    discussion of those data as well as benefit structure,
    investment policies, any unfunded liabilities,
    and any other problems. Instructions for reporting
    the necessary data are being developed by Comptroller
    personnel.

9. Proprietaries. To include a narrative and a detailed
    table on operating proprietaries that sketches
    nature and purpose of each, gives data on cash
    and investment balances, and indicates plans for
    use in budget year.

10. Reserve for Contingencies

    a. Historical Table

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    c. Fund availability--FY 1976-78. Table
        and narrative giving details by fiscal
        year of balances becoming available.

11. Inventories. Table and narrative giving
    inventory levels and plans for increasing
    or decreasing them in the budget year.
    Comptroller personnel will be in touch with
    the Offices of Communications, Logistics and
    Technical Services to develop a common approach.

12. Adjustments to 1977 budget. Tables on an
    organizational basis (one for each directorate
    and the DCI area) summarizing changes in the
    FY 1977 budget since the FY 1977 Congressional
    Submission (see Attachment D for format).

13. Rental Payments to GSA. No change.

14. Lands and Structures. No. change.

15. Motor Vehicle Summary. No change.

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VIII. Historical Tables. No change, except [   ]

3. None of the additional material required to produce the expanded documents is available directly from the Financial Resources System. A program to provide part of the information for tracking changes after the Congressional Submission is being developed, but it will not be operational for some months. Directorates will therefore have to prepare two new tables—on changes in the FY 1977 budget and on program category/ subcategory/contributor changes between FY 1977 and FY 1978 manually. We will let you know about other requirements for information for the budget documents, the budget speeches, and the back-up book shortly.

4. We would like to meet with your designated representatives at 1000 hours on Wednesday, 17 November in 4E05 to discuss these matters in detail and respond to any questions.

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                              Acting Assistant Comptroller, Resources

Attachments:
   As stated

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TRANSMITTAL SLIP	DATE

TO: *Executive Secretary*

ROOM NO.	BUILDING
7E12	Hq.

REMARKS:

BX - 3

FROM: *O/Compt*

ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

| UNCLASSIFIED | | ● NFIDENTIAL | | SECRET |

EXECUTIVE SECRETARIAT
Routing Slip

TO:			ACTION	INFO	DATE	INITIAL
	1	DCI				
	2	DDCI				
	3	S/MC				
	4	DDS&T				
	5	DDI				
	6	DDA				
	7	DDO				
	8	D/DCI/IC				
	9	D/DCI/NIO				
	10	GC				
	11	LC				
	12	IG				
	13	Compt				
	14	D/Pers				
	15	D/S				
	16	DTR				
	17	Asst/DCI				
	18	AO/DCI	✓			
	19	C/IPS				
	20					
	21					
	22					

SUSPENSE _____
Date

Remarks:

Please attend # 17 Nov meeting

Executive Secretary

15 Nov
Date

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